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ANNUAL REPORT TO STOCKHOLDERS

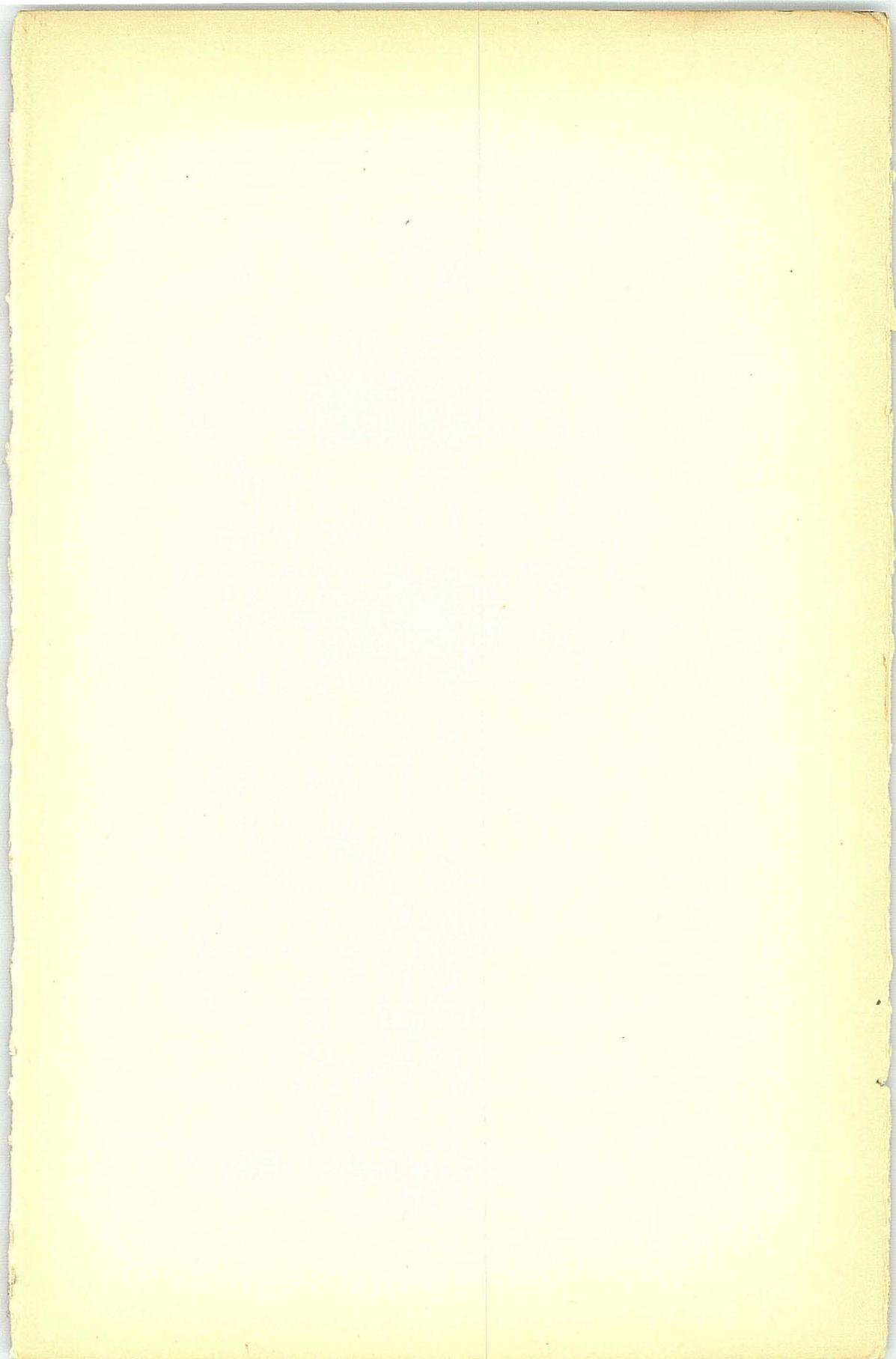


Fortieth Anniversary
1926

THE COCA-COLA COMPANY
ATLANTA, GA.
BOARDS

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The
COCA-COLA COMPANY
AND SUBSIDIARIES
ATLANTA, GA.

ANNUAL REPORT
TO THE
STOCKHOLDERS
FOR THE YEAR 1926

February 1st, 1927

PRINTED IN U. S. A.

THE COCA-COLA COMPANY
ATLANTA, GA.

TO THE STOCKHOLDERS OF
THE COCA-COLA COMPANY:

In submitting the accompanying financial statement of The Coca-Cola Company and its subsidiaries for the year ending December 31st, 1926, I feel that the actual results which it exhibits indicate a fairly liberal realization of the forecast made in closing my report for the year 1925, in which the belief was expressed that the resources and standing of the Company at that time warranted the anticipation of a successful year.

The Fortieth Anniversary of the company shows the largest sales in its history. This increase together with decreased operating ratios reflects a continued development and stability.

In accordance with the policy established by your Board of Directors in 1925, we have completed, from current earnings, the retirement of the remainder of the Preferred Stock. The authorized capital issue has been amended to include only the five hundred thousand shares of Common Stock.

The maintenance of adequate manufacturing facilities to care for the normal increase in sales has necessitated certain enlargements in domestic plants, some of which are now nearing completion.

The development of both foreign and domestic subsidiaries has been satisfactory. The expansion of business in Canada has warranted additional facilities at several points, which have been provided. Through the Foreign Department a conservative program of expansion is being continued.

I am pleased to state, in line with the policy adopted by your Directors, we have been able to add to our Contingent Reserve Account which has not been adequate in the past, and it is felt that this policy should be continued, when practicable, to a conservative degree. The cash position of the Company is reflected in Cash on Deposit and Placed on Call, \$4,600,793.82.

With some pride I may say for the year 1926 that we have taken up where we left off in 1925 and have carried on to a position that enables us to begin the year 1927 in the continuing faith that our efforts will be duly rewarded as in the past.

Respectfully submitted,

R. W. WOODRUFF,

President.

APR 3 1927
OTIS KG

CONSOLIDATED CONDENSED BALANCE SHEET

The Coca-Cola Company, Atlanta, Georgia,
and its Subsidiaries

December 31, 1926

ASSETS

CURRENT:

| | |
|--|-----------------|
| *Cash on Deposit and Placed on Call | \$ 4,600,793.82 |
| Government Securities..... | 4,013.75 |
| Notes Receivable..... | 139,964.77 |
| Accounts Receivable..... | 1,268,552.82 |
| Inventory—Merchandise on Hand, Priced at Lower of Cost or Market..... | 1,727,494.14 |
| | <hr/> |
| | \$ 7,740,819.30 |

OTHER ASSETS:

| | |
|--|------------|
| Sundry Notes and Accounts Receivable.... | 441,760.93 |
|--|------------|

PERMANENT:

| | |
|---------------------------------------|-----------------|
| Land..... | \$ 1,042,512.29 |
| Buildings..... | 3,853,839.90 |
| Machinery and Equipment..... | 2,520,659.72 |
| Bottles and Cases..... | 521,345.39 |
| | <hr/> |
| | \$ 7,937,857.80 |
| Less: Allowance for Depreciation..... | 1,848,158.09 |
| | <hr/> |
| | 6,089,699.21 |

| | |
|--|---------------|
| FORMULAE, TRADE-MARK AND GOODWILL..... | 20,745,676.91 |
|--|---------------|

DEFERRED CHARGES:

| | |
|--|-----------------|
| Unexpired Insurance and Prepaid Expenses | 31,902.62 |
| | <hr/> |
| | \$35,049,858.97 |

LIABILITIES

CURRENT:

| | |
|--|---------------|
| Notes Payable—For Real Estate, Due 1927 \$ | 10,000.00 |
| Accounts Payable | 687,918.09 |
| Accrued Accounts..... | 1,437.42 |
| | <hr/> |
| | \$ 699,355.51 |

RESERVES:

| | |
|--|--------------|
| Income Taxes, Contingent and Miscellaneous Operating Reserves | 3,557,583.10 |
|--|--------------|

NOMINAL

CAPITAL STOCK:

| | |
|--------------|---------------|
| Common | 15,010,000.00 |
|--------------|---------------|

| | |
|------------------------------|-----------------|
| PROFIT AND LOSS—SURPLUS..... | 15,782,920.36 |
| | <hr/> |
| | \$35,049,858.97 |

*Footnote by Company: During the year 1926, 60,000 shares, or \$6,000,000.00 of the preferred stock were retired, of which 46,667 shares, or \$4,669,700.00, were purchased out of current earnings, and 13,303 shares, or \$1,330,300.00, were in the treasury.

CONSOLIDATED STATEMENT OF OPERATIONS
The Coca-Cola Company, Atlanta, Georgia,
and its Subsidiaries

Year Ended December 31, 1926

| | |
|--|----------------------------|
| SALES | \$30,107,272.29 |
| Less: Cost of goods sold, including freight on sales and allowances | <u>12,352,117.10</u> |
| GROSS OPERATING PROFIT..... | <u>\$17,755,155.19</u> |
| Expenses—Selling, Branch, Administrative and General... | <u>6,076,686.68</u> |
| NET OPERATING PROFIT..... | <u>\$11,678,468.51</u> |
| Other Deductions, including Income Taxes, and Contingent and Miscellaneous Operating Reserves..... | <u>3,274,814.88</u> |
| NET PROFIT..... | <u>\$ 8,403,653.63</u> |
| PROFIT AND LOSS—SURPLUS ACCOUNT | |
| BALANCE—December 31, 1925..... | \$10,916,860.85 |
| Net Profits from Operations for year ended December 31, 1926 | \$8,403,653.63 |
| Expense adjustments—Prior Years.... | <u>118,441.87</u> |
| | <u>8,522,095.50</u> |
| | <u>\$19,438,956.35</u> |

Deduction for Dividends:

*Preferred:
July 1, 1926..... \$ 156,035.99

Common:

| | |
|-------------------------|---------------------|
| March 28, 1926..... | \$875,000.00 |
| June 29, 1926..... | 875,000.00 |
| September 28, 1926..... | 875,000.00 |
| December 28, 1926..... | <u>875,000.00</u> |
| | <u>3,500,000.00</u> |
| | <u>3,656,035.99</u> |

BALANCE—DECEMBER 31, 1926..... \$15,782,920.86

ERNST & ERNST
AUDITS AND SYSTEMS
TAX SERVICE

Atlanta, January 27, 1927.

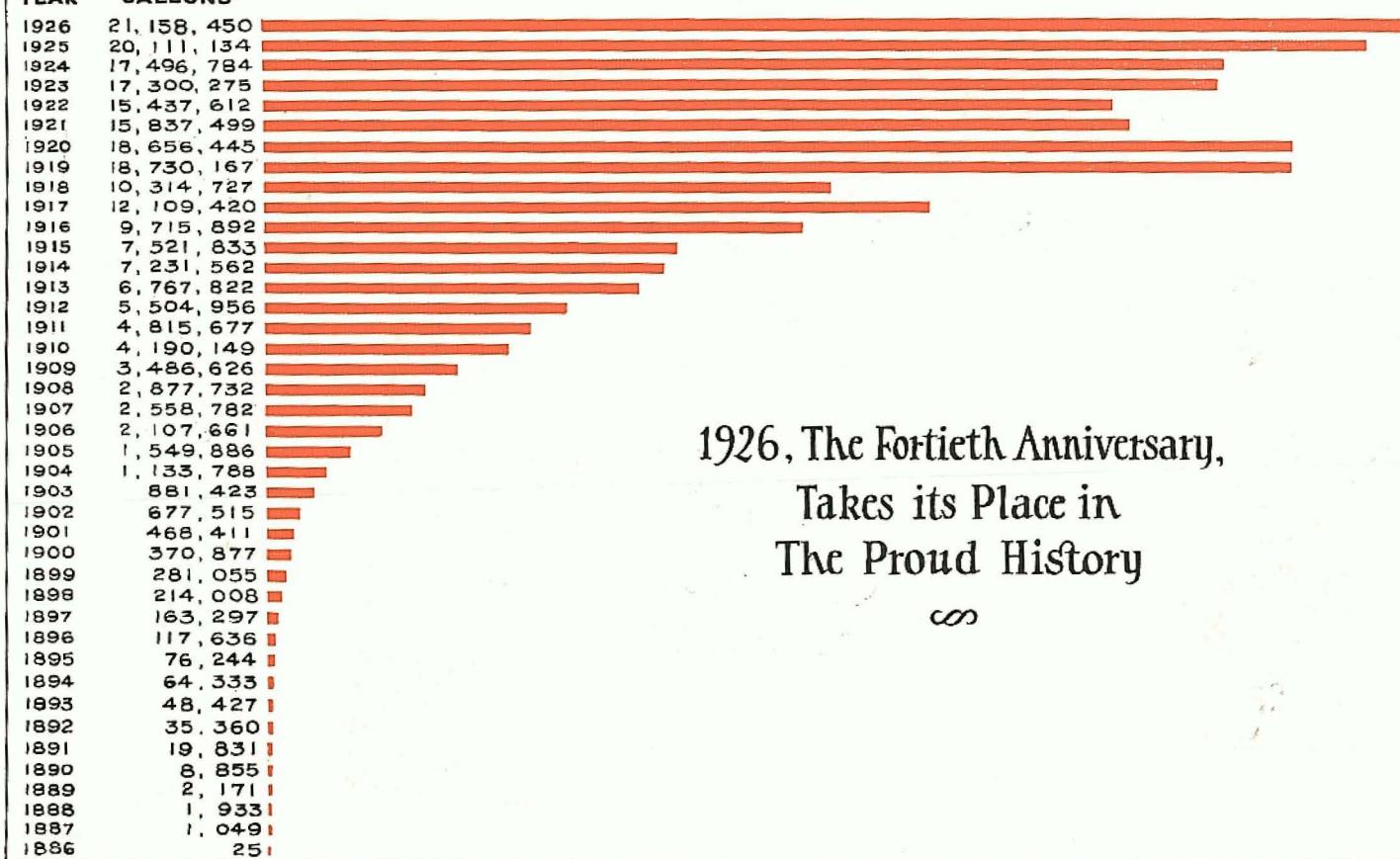
We Hereby Certify,

That we have audited the books of account and record of THE COCA-COLA COMPANY, Atlanta, Georgia, and its subsidiaries, as at December 31, 1926, and that, based upon our examination and information obtained, it is our opinion that the annexed Consolidated Condensed Balance Sheet is drawn so as to correctly reflect the financial condition of the Companies at the date named, and that the relative Consolidated Statements of Operations, and Profit and Loss-Surplus are correct.

(Signed) ERNST & ERNST,
Public Accountants
and Auditors.



Some of the 1926 Coca-Cola Posters

YEAR GALLONS

1926, The Fortieth Anniversary,
Takes its Place in
The Proud History



EXECUTIVE OFFICERS AND DIRECTORS
of
THE COCA-COLA COMPANY

| | |
|---------------------|--|
| W. C. BRADLEY..... | <i>Chairman Board Directors</i> |
| R. W. WOODRUFF..... | <i>President</i> |
| HARRISON JONES..... | <i>Executive Vice-President</i> |
| W. M. BROWNLEE..... | <i>Vice-President</i> |
| W. P. HEATH..... | <i>Vice-President</i> |
| HAROLD HIRSCH..... | <i>Vice-President</i> |
| S. F. BOYKIN..... | <i>Secretary and Treasurer</i> |
| W. G. LAMB..... | <i>Assistant Secretary and Assistant Treasurer</i> |
| J. C. WEEKLEY..... | <i>Assistant Secretary</i> |

DIRECTORS

| | |
|----------------------------------|----------------------------------|
| W. C. Bradley.....Columbus, Ga. | J. H. Nunnally.....Atlanta, Ga. |
| J. B. Campbell.....Atlanta, Ga. | E. W. Stetson...New York, N. Y. |
| Chas. H. Candler....Atlanta, Ga. | C. A. Wickersham....Atlanta, Ga. |
| W. C. D'Arcy.....St. Louis, Mo. | D. A. Turner.....Columbus, Ga. |
| Samuel C. Dobbs.....Atlanta, Ga. | Walter C. White....Cleveland, O. |
| T. K. Glenn.....Atlanta, Ga. | A. H. Wiggin....New York, N. Y. |
| Charles Hayden..New York, N. Y. | Ernest Woodruff....Atlanta, Ga. |
| Harold Hirsch.....Atlanta, Ga. | R. W. Woodruff.....Atlanta, Ga. |
| J. P. Illges.....Columbus, Ga. | |

EXECUTIVE COMMITTEE

| | |
|-------------------------|-----------------|
| W. C. Bradley, Chairman | J. H. Nunnally |
| Chas. H. Candler | E. W. Stetson |
| W. C. D'Arcy | Ernest Woodruff |
| T. K. Glenn | R. W. Woodruff |

GENERAL COUNSEL
Candler, Thomson & Hirsch
Atlanta, Ga.

| | |
|--------------------------|-------------------------------------|
| TRANSFER AGENTS | REGISTRARS |
| GUARANTY TRUST COMPANY | CHASE NATIONAL BANK |
| New York, N. Y. | New York, N. Y. |
| TRUST COMPANY OF GEORGIA | THE ATLANTA AND LOWRY NATIONAL BANK |
| Atlanta, Ga. | Atlanta, Ga. |

THE COCA-COLA COMPANY
GENERAL OFFICES
ATLANTA, GEORGIA

UNITED STATES SALES AND BRANCH OFFICES OF
THE COCA-COLA COMPANY AND ITS SUBSIDIARIES

| | | | |
|------------|-----------|--------------|--------------|
| Atlanta | Chicago | Jacksonville | Memphis |
| Baltimore | Cleveland | Kansas City | New Orleans |
| Birmingham | Dallas | Los Angeles | New York |
| Boston | Denver | Louisville | Philadelphia |
| Charlotte | Hartford | Milwaukee | Portland |

UNITED STATES WAREHOUSES

| | | | |
|-------------|--------------|---------------|-----------------|
| Amarillo | Greensboro | Minneapolis | Salt Lake City |
| Beaumont | Houston | Nashville | San Antonio |
| Birmingham | Jacksonville | Norfolk | Savannah |
| Boston | Kansas City | Oklahoma City | Shreveport |
| Brooklyn | Knoxville | Philadelphia | Tampa |
| Chattanooga | Little Rock | Pittsburgh | Tulsa |
| Denver | Lynchburg | Portland | Washington |
| El Paso | Memphis | Richmond | Wilmington |
| Fort Smith | Miami | Roanoke | West Palm Beach |

Foreign Department Office—111 Broadway, New York City.

THE COCA-COLA COMPANY OF CANADA, LTD.

Head Office—Toronto

SALES OFFICES AND BOTTLING PLANTS

| | | | |
|------------|------------|-----------|-------------|
| Belleville | Kingston | Peterboro | Windsor |
| Brandon | Lethbridge | Winnipeg | Vancouver |
| Calgary | London | Montreal | Port Arthur |
| Edmonton | Ottawa | Toronto | Quebec |
| Regina | | Saskatoon | |

CUBA

Head Office—Havana

SALES AND BRANCH OFFICES

